



Hume Alliance

Leading the Hume Strategy

NBN Regulatory Review
Department of Communications
GPO Box 2154
CANBERRA ACT 2601

14 March 2014

Dear Sir/Madam

NBN Review

Please find attached a copy of a recent submission from Hume Alliance to the Federal Government's Mobile Coverage Program.

The Hume Alliance includes representation from the Hume Regional Management Forum, the Hume Region Local Government Network and the Hume Regional Development Australia Committee in Victoria.

The attached document, which is self-explanatory, outlines further details about the Alliance and its position on the importance of ICT and mobile network infrastructure to the large and diverse Hume Region.

Hume Alliance would be very pleased if its position can be considered together with other input received during the NBN Review.

Improved ICT and mobile network infrastructure, which increases coverage and choice for consumers, could have a transformational effect on this large region of Victoria and is considered a matter of great importance to the organisations and communities that the Hume Alliance represents.

I am available to discuss Hume Alliance's position at any time and can be contacted through the Hume Alliance Secretariat on (03) 9654 4799.

Yours faithfully

Mark Byatt
Chair
Hume Alliance



Hume Alliance

Leading the Hume Strategy

Submission to the Federal Government's Mobile Coverage Program

BACKGROUND

The Hume Alliance comprises representation from the Hume Regional Management Forum (RMF), the Hume Region Local Government Network (HRLGN), and the Hume Regional Development Australia committee (RDA). The Alliance is charged with providing strategic advice, coordination and advocacy to State and Federal governments in relation to the Hume Strategy priorities. The region comprises four distinct and interconnected sub-regions and a network of regional cities and centres across twelve municipalities.

In forming this feedback, Hume Alliance has drawn on extensive work by other organisations such as the Digital Hume Strategy, developed by Regional Development Australia and the State and Federal Governments. The document can be accessed at: <http://digitalhume.com.au/the-digital-strategy/>. As the strategy highlights, the Hume region has been working towards leveraging digital innovation and connectivity for some time.

THE IMPORTANCE OF ICT AND THE ROLE OF MOBILE NETWORK INFRASTRUCTURE TO THE HUME REGION

Modern ICT provides an opportunity for regional and rural communities to transform business and social opportunities and dramatically lift economic welfare. Entire business models (and industries) are being recast by ICT advances; in many ways leading to transformational regional opportunities.

Mobile and fixed communications technologies are increasingly integrated as the use of Internet connected, data devices, such as tablet computers and smartphones, grows. These devices use mobile and fixed wireless networks, to which they connect opportunistically and automatically. Frequently consumers do not distinguish between mobile and fixed wireless, instead focusing on the applications that are served to them on devices that seamlessly switch between networks.

Regional and rural consumers have an even greater need for mobile communications than Australians who reside in cities. Regional and rural Australians often need to travel greater distances to access services and undertake work, education and recreation activities. Patchy communication also affects critical regional and rural needs, such as reliable coverage from an emergency management perspective, with potentially dire consequences during major disasters.

Inadequate mobile communications services also restrict Hume region's ability to maximise the opportunities to participate in the rapidly growing global economy, with implications across a wide range of industries, including tourism and untapped potential within the food industry.

However, the quality, availability and variety of services in regional locations are often far inferior to those in metropolitan locations.

These are not features that are confined to the mobile communications markets. Regions traditionally lack investment in the basic infrastructure to deliver the most advanced ICT services, mainly because the underlying economics do not support the same level of investment that can be sustained in cities. The bipartisan recognition of this problem is at the core of the Federal Government's commitment to the NBN, which will lift the standard of fixed broadband for all Australians, importantly including regional Australia.

The Hume Alliance submits that the ambition of any Government program to close the mobile gap should be focused on increasing coverage and choice to regional consumers. The Hume Alliance believes that initiatives to increase competitive entry into regional markets are the best means of improving services to regional Australians.

The Hume Alliance believes it is important that policy initiatives are consistent and, if possible, integrated. To this end, investment in the NBN can be leveraged to provide a solution to many of the specific infrastructure problems in regional and rural mobile coverage and service, and to lift competitiveness in regional markets. The Alliance's view is that 'a once-in-a-generation' opportunity exists to maximise, through leverage, the benefits of taxpayer investment from the historic network rollout.

The Hume Alliance is aware of proposals for NBN Co to utilise its fixed wireless network to provide wholesale services to competing mobile retailers in the same way as it is providing the wholesale network on which fixed broadband retailers can compete.

The Alliance believes there could be cost efficiencies in such a strategy.

For example, this could involve measures such as enabling NBN Co's towers supporting mobile as well as fixed wireless equipment; and using NBN Co's "backhaul"* to these towers to transit traffic back to core networks from regional locations. Further, Government could also consider a program to support shared investment in mobile equipment on towers, encouraging competitive entry and minimising high investment costs.

Integration of the policy programs to stimulate investment and competition in fixed and mobile markets would be consistent with the technical developments in the communications industries. The Hume Alliance believes that past 'subsidy' initiatives have not benefited regional consumers and provided them with additional provider choice or an improved service offering. Where competition exists in metropolitan areas, it is apparent that there is continual new investment in upgrading networks as the mobile network owners seek to retain and gain market share. This dynamic is notably absent in regional markets. The Hume Alliance believes that future initiatives should support the expansion of a more complete network. The Hume Alliance would not support programs that duplicate investment unnecessarily.

High capital costs in communications networks demands that infrastructure be utilised to the greatest extent possible, which in the present environment means there should be a singular focus on maximising the collaborative investment between the industry and the NBN Co to ensure that the assets being funded by taxpayers deliver the maximum possible set of services and coverage to consumers, especially in rural and regional areas.

CONCLUSION

Hume Alliance welcomes the opportunity to provide this submission and looks forward to enhanced connectivity across the Hume region. Improved ICT and mobile network infrastructure, which increases coverage and choice for consumers, could have a transformational effect on this large region of Victoria and is considered a matter of great importance to the organisations and communities that the Hume Alliance represents.

* Backhaul refers to the part of the communications network that trunks traffic from the local distribution or access part of the network connecting to homes and business to other towns and capital cities. In regional areas this remains largely a Telstra monopoly and has been priced at levels that often makes competitive investment in downstream services or even in alternative access networks uneconomic.